

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

95-32

2. STATE:

NJ3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. TYPE OF PLAN MATERIAL (*Check One*):☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☐ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*):

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY _____ \$ _____

b. FFY _____ \$ _____

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

*** SEE REMARKS

10. SUBJECT OF AMENDMENT:

Amendment to Psychiatric Services for the Developmentally Disabled
in State Services for the Developmentally Disabled11. GOVERNOR'S REVIEW (*Check One*):☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

14. TITLE:

15. DATE SUBMITTED:

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY17. DATE RECEIVED: **SEP 27 1995**18. DATE APPROVED: **JUN 06 2001****PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

07/01/95

20. SIGNATURE OF REGIONAL OFFICIAL:

22. TITLE: Associate Regional Administrator
Division of Medicaid and State Operations

21. TYPED NAME:

Sue Kelly

23. REMARKS: As per stated in letter received from State on 05/15/01 Attachment 4.19A page II-1
has been revised and is now approved

REIMBURSEMENT FOR GOVERNMENTAL (STATE AND COUNTY) HOSPITALS PROVIDING INPATIENT PSYCHIATRIC SERVICES OR ACUTE CARE PATIENT SERVICES FOR THE DEVELOPMENTALLY DISABLED

- I. A. Governmental hospitals are hospitals owned or operated by State or County governmental agencies that provide long-term inpatient psychiatric services or acute care services for developmentally disabled patients.

B. Private Psychiatric Hospitals are those psychiatric hospitals not owned or operated by State or County government agencies.

C. Long Term Care Psychiatric Hospitals are governmental or private psychiatric hospitals enrolled in the New Jersey Medicaid program as a long term care provider based on the average length of stay of its patients.

- II. Reimbursement for governmental inpatient hospital psychiatric services and acute care inpatient hospital services for the developmentally disabled is based upon Medicare principles for determining reasonable cost reimbursement described in 42 CFR Part 413.

For Long Term Care Psychiatric Hospitals, clothing, indicated in a patient's plan of care is an allowable cost for Medicaid patients.

- III. Upper limits of reimbursement will be the lower of reasonable costs of services described above or the provider's customary charges to the general public.

- IV A retrospective reimbursement system is being utilized.

Interim per diem rates are based upon actual cost and statistical data contained in the most current Medicare/Medicaid Cost Report (HCFA 2552) plus a factor for inflation. In those instances where the prior year cost report data plus an inflation factor does not serve as an accurate base for the billing period rate, a base year adjustment (cost and/or statistical) shall be made to more accurately reflect the anticipated rate for the billing periods.

Final reimbursement (settlement) amounts are based on actual cost and statistical data for the service period which reflect the standards and principles identified in Paragraph II. These amounts will reflect the difference between the reimbursement received by the provider based on the interim rates in effect for the service period and the final rates which are based on the actual Medicare/Medicaid Cost Report (HCFA 2552) for the service period.

Interim rates and final settlement amounts are approved by the Director of Division of Medical Assistance and Health Services or his/her designee.

95-32-MA (NJ)

Supersedes 90-12-MA (NJ)

TN 95-32 Approval Date JUN 06 2001

Supersedes TN 90-12 Effective Date JUL 01 1995